

BEFORE THE SECURITIES COMMISSIONER  
OF THE STATE OF KANSAS

In re:	)	
	)	
The Approval of Recognized Securities	)	
Manuals for Purposes of the Manual	)	Docket No. 2001E028
Exemption, K.S.A. 17-1262(b).	)	
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**Order Approving Recognized Securities Manuals**  
**for Purposes of the Manual Exemption, K.S.A. 17-1262(b)**

WHEREAS, K.S.A. 17-1262(b), commonly known as the manual exemption, was amended in L. 2000, Chapter 52, § 3; and

WHEREAS, the former version of K.S.A. 17-1262(b) specifically listed Moody's and Standard & Poor's as manuals which were recognized for use under the exemption; and

WHEREAS, the new version of K.S.A. 17-1262(b) no longer specifies the Moody's or Standard & Poor's manuals, but refers to "any recognized securities manual approved by the commissioner, pursuant to rules and regulations and orders;" and

WHEREAS, the Moody's manual has been replaced by the Mergent's manual; and

WHEREAS, the Commissioner intends to approve the use of the Mergent's manual and Standard & Poor's manual by the adoption of permanent regulations;

IT IS, THEREFORE, ORDERED BY THE COMMISSIONER that:

(a) Except as provided in paragraphs (c) through (e) below, the following securities manuals are approved for the exemption from registration of securities under K.S.A. 17-1262(b) and amendments thereto:

- (1) Standard & Poors manual of standard corporation descriptions; and
- (2) Mergent's manuals, formerly known as Moody's manuals.

(b) The recognized manuals may be distributed in a published paper format or an electronic format that is widely available to the public.

(c) The approval of any manual is limited to the listings within the manual which contain all of the information required by K.S.A. 17-1262(b) and amendments thereto. Transactions are not exempt from registration if a listing does not contain all of the required information about an issuer.

(d) The approval of any manual does not extend to any listing within the manual which would give rise to an exemption for the following transactions, so the transactions are not exempt under K.S.A. 17-1262(b) and amendments thereto:

(1) Transactions in securities of a company that is in the development stage as defined by generally accepted accounting principles, a company in bankruptcy proceedings, or a shell company with no plan of business other than to pursue a merger or acquisition of an unidentified company; or

(2) distribution of an unsold allotment of securities by or from the underwriter of an initial public offering of securities.

(e) The Commissioner may issue an order to revoke this exemption for the securities of an issuer if the Commissioner finds that the sale of the securities would work or tend to work a fraud on purchasers of the securities. Notice of the order shall be provided to the issuer and underwriter by mail, and to all registered broker-dealers by publication in the Kansas Register.

IT IS FURTHER ORDERED that this Order shall be automatically vacated upon the adoption of a permanent regulation implementing K.S.A. 17-1262(b).

IT IS SO ORDERED.

Entered at Topeka, Kansas, on this 22 day of December, 2000.



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David R. Brant  
Securities Commissioner  
State of Kansas